

**Memo**

To: Board of Regents  
From: Kevin McRae, Associate Commissioner  
Date: May 7, 2013  
Re: ITEM 159-108-R0513

I recommend approval of the FY 2012-13 labor agreement between the Board of Regents of Higher Education and the Faculty Association at The University of Montana Western. The agreement covers approximately 60 faculty members.

Revisions to the previous bargaining agreement include:

- Effective retroactive to October 1, 2011, eligible faculty members shall receive a \$500 increase on their base salaries.
- In addition to the above, effective retroactive to October 1, 2011, eligible faculty members shall receive variable market-based salary adjustments from a market pool of \$63,600 in total funding.
- Effective October 1, 2012, eligible faculty members shall receive a \$500 increase on their base salaries.
- In addition to the above, effective retroactive to October 1, 2012, eligible faculty members shall receive variable market-based salary adjustments from a market pool of \$99,500 in total funding.
- The market-based adjustments will be distributed as guided by a memorandum of understanding the Board of Regents approved January 2010. The information below, from the board-approved memorandum of understanding, will be incorporated with the memo into the collective bargaining agreement:

The parties agree that the proper set of peer comparator institutions for UM-Western shall be defined as the set of U.S. public, baccalaureate degree-only institutions, having enrollments under 5000 students. This set of comparator institutions will be gleaned from the CUPA database for obtaining rank specific salary data. The UM-W Administration will share all CUPA data with the UM-W Faculty Association as soon as the data become available to the Administration.

The overall salary averages, at each rank, as reported in the most current CUPA survey for these peer institutions, shall serve as the target salary levels which market adjustments, if any, to UM-Western salaries will be designed to reach through incremental increases (i.e., UM-Western salary averages at each rank will be increased to eventually reach peer averages), with a goal of reaching those peer targets within 10 years from the date that this agreement is signed by all parties.

The parties are committed to increasing the salary of faculty members through Normal Increases and a Market Adjustment Pool as established through Collective Bargaining. The Market Adjustment increment will be proportionate to each faculty member's percentage contribution to the overall faculty salary deficit (i.e., the proportionate amount that his/her salary base, after being incremented by the Normal Increase, falls below his/her peer target point, relative to the sum total of all faculty

members' deviations below their peer target points). No faculty member's salary shall be decreased because it falls above that member's target point and faculty members above the target point shall receive the Normal Increases.

The parties agree that, each year, the Market Adjustment Pool shall be a budget priority for UM-Western. The objective, in each year, will be to budget a Market Adjustment Pool, in combination with any Normal Increase, such that the magnitude of the raises at each rank will represent a percentage increase that exceeds the rate of increase of the peer averages at each of those respective ranks.

All market adjustments will be distributed according to a mutual agreement between the UM-W Faculty Association and UM-W Administration.

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**From stipulated notes between the parties; five questions and answers for interpretive guidance (jointly formulated by labor and management):**

**1. Does this memorandum require a faculty pay raise of any kind in any given year?**

No. This memorandum articulates an institutional goal of improving faculty salaries toward national average salaries, at each rank, for public, general, baccalaureate-only institutions, but it does not create a binding obligation or entitlement to a specific pay raise in any particular year.

**2. Does this memorandum require average faculty salaries at UM-W to be at any particular level within 10 years?**

No. This memorandum sets a goal of raising faculty salary levels to national averages within 10 years, but it does not require any particular level of progress in any specific year. The memorandum essentially underscores the institution's commitment to eliminate the disparity between UM-Western faculty salaries in comparison to national peers, a goal that is also articulated in UM-Western's Strategic Plan 2006-2012.

**3. Does this memorandum establish or imply an agreement that faculty salary levels at UM-W are inordinately low in comparison to other institutions in the Montana University System?**

No. The role of the Faculty Association at UM-W is to advocate for faculty salaries at UM-W. Faculty salaries throughout the Montana University System are low compared to national averages. UM-Western's faculty salary depression simply provides one clear example of this system-wide problem of low, non-competitive faculty salary averages. Through this memorandum, UM-Western is making a strong institutional commitment to fix that problem.

**4. Does this memorandum require faculty salaries at UM-W to grow at a faster pace than faculty salary levels at other institutions in the Montana University System?**

No. The faculty salary increases at UM-Western that are being promoted by this memorandum do not necessarily correlate to any salary agreements that may be negotiated at other institutions of the MUS, because those other MUS institutions have different sets of peer institutions with which they would be compared. Instead, this memorandum aims only at the equalization of UM-Western's salaries, at each rank, with peer averages at public, general, baccalaureate-only institutions, based on the data reported annually in CUPA salary reports. The contracts at each MUS unit are bargained separately; hence any salary agreements made at one institution are independent of the agreements made at any other MUS units.

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In addition to the revisions above, the bargaining agreement also includes a provision for future adjunct faculty members (non-tenure-track) to teach up to four blocks per semester at the normal salary rate, without receiving the overload compensation that is provided to tenure-track faculty who teach four blocks per semester.

The new bargaining agreement also includes a number of non-economic “language changes” that are agreeable to the faculty association and to the administration, and are not inconsistent with Board of Regent policies or procedures.